

A CRITIQUE OF REORGANIZATIONAL MODELS  
FOR COMMUNITY DEVELOPMENT

by

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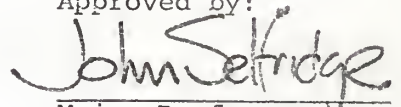
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## PREFACE

The idea to undertake this project had its beginning in the fall of 1972. At that time, a substantial amount of information indicating a federal legislative change in the methods of funding and administering community development activities became available to the author. As an employee of the Manhattan Urban Renewal Agency which was directly involved in community development, the news was somewhat alarming. Questions were immediately raised concerning the future structure of redevelopment programs. How would the new policies affect or change the present structures? What level of funding would be available? Would the responsibilities require reorganization of the existing systems? Would special problems exist for communities which vary in size?

An initial analysis of some of the early proposed legislation revealed that answers to the above questions were not readily available. In seeking answers to some of the questions, the author discovered that at least two experimental projects sponsored by the federal government had been utilized throughout the country to gain answers. Close scrutiny of the project revealed an oversight on the part of the government, namely, all of the cities tested were principally metropolitan in nature. It is an acknowledged fact that four out of every five persons in this country today reside in metropolitan areas, it is also a fact that small and rural areas of this country are attempting to prevent problems similar to those of urban areas from occurring in their communities and need equal consideration where new approaches are involved. Any

legislation proposes should be appropriate to accommodate non-metropolitan as well as metropolitan areas. It was for this reason that this study was undertaken.

## STATEMENT OF THE PROBLEM

In the ever-changing field of community development, government officials and private citizens constantly strive to obtain the maximum effective utilization of domestic aid earmarked to prevent blight, deterioration and slum conditions in our urban and rural communities. The various approaches are as numerous as the number of cities and towns utilizing community development programs. Consequently, there have been a combination of successes and failures in developing effective management capacity of community development programs. It is unclear to this writer whether the successes outnumber the failures or vice versa.

Federal, state, and municipal officials for many years had recognized the need to eliminate the fragmentation, duplication, and misallocation of funds under the then current systems. They were quick to express the opinion that consolidation of related activities and funds could lead to more efficient operations.

Recent legislation proposed at the federal level seeks to expand the role of local officials in the planning, management, and implementation of community development programs. In President Nixon's proposal for reorganization of the Executive Branch, he proposed to consolidate all federal programs relating to physical growth and development into one single community development department. In August, 1974, the U.S. Congress passed and made into law, a bill designed to consolidate, simplify, and im-

prove programs concerned with physical development and housing.<sup>1</sup> The central theme of the bill was to strengthen the planning and management capacities of local units of government while providing federal assistance to aid in the treatment of slum and blight.

The trend toward consolidation has been slow in having an impact at the state level. A majority of states are lagging in developing mechanisms through which they become actively involved in controlling and monitoring development. This probably is attributed to the fact that states generally have played a minor role in regulating growth within their jurisdictional boundaries. Controls usually were at the discretion of municipalities. The enacted legislation will necessitate a shift in the attitudes of state officials. It places some responsibility on the states to become involved with growth and development activities. But more importantly and urgently, it places a great deal of responsibility on the local officials.

The situation at the local level is more urgent than at the state level. Communities throughout the country must begin to think in terms of expanding and improving their ability to manage and plan for orderly change and development. Yet the communities face a difficult task of obtaining technical assistance for transition. In all its wisdom, the federal bureaucracy failed to consider the effects of abruptly terminating ongoing projects without allowing for time to establish new institutional mechanisms.

<sup>1</sup> Housing and Community Development Act of 1974  
(Housing Act of 1974) Public Law 93-383 (1974)



Although the timing appears to be inappropriate, technical advice and assistance by the federal government has not been completely ignored. The government has experimented with methods designed to achieve the objectives spelled out in the legislation. Two demonstration projects were tested for their ability to enable cities to improve their coordination of federal funds and programs while at the same time improving the capacity of local officials to set priorities. Cities participating in these programs showed marked progress toward improving their ability to better coordinate programs.

A noticeable deficiency of the federal study of the Plan Variation Project, and the Annual Arrangements Project, was that eighty-four percent of the cities tested had population in excess of twenty-five thousand persons. Admittedly, a majority of people now reside in metropolitan areas, however, communities of lesser population experience blight, deterioration, substandard housing and most importantly, they often lack the necessary tools to implement capacity building mechanisms. It is often assumed that because of their size, small communities have small problems, and are smoothly and efficiently operated, and never experience management or planning difficulties. Yet, the contrary exists. Small towns generally lack specialized personnel or complex organizational structures capable of improving the management of federal projects. Thus, small town officials must also develop strategies, which will enable the decision-makers to plan and manage growth in their communities.

This report focuses on the viewpoints of city officials of small towns and how they intend to accomplish the goal of the Housing and Community Development Act of 1974. The purposes of the study are:

- to determine how applicable federal demonstration projects are to small towns.
- to determine the opinion of the chief executive of small towns with respect to ways of improving management and planning capacity.
- to prepare recommendations suggesting procedures to implement new strategies when determined to be needed by local officials.

Several techniques were employed to accomplish the objectives stated above. The first consisted of a review and content analysis of federal demonstration projects to determine their applicability to small towns. Secondly, data was collected from a survey to determine the viewpoints of public officials in forty-two Kansas communities. Kansas was chosen because of convenience. All communities were 25,000 or less in population and not contiguous to metropolitan centers. The smallest town selected had a 1970 population of five thousand.

The major portion of this report involves the analysis of information contained in the demonstration projects and information collected from the survey conducted by the author. In the last part, the author will evaluate all data and prepare recommendations based on the findings.



## DEFINITION OF TERMS

### COMMUNITY DEVELOPMENT:

The physical and fiscal process of continual revitalization of towns and cities through utilization of clearance, rehabilitation, redevelopment, and controlled growth mechanism.

### STANDARD METROPOLITAN STATISTICAL AREA (SMSA):

A central city of at least 50,000 inhabitants and its surrounding counties with social and economic relationships of a metropolitan character.

### SMALL COMMUNITIES:

Cities or towns with a population less than 25,000 inhabitants, essentially agricultural, mining, extraction, industries, and farming.

### ANNUAL ARRANGEMENTS:

Federal funds for Community Development activities are guaranteed annually to each community through negotiations with the Department of Housing and Urban Development.

### MINIMIZATION OF FEDERAL REVIEW:

Federal agencies eliminate as many review requirements as possible with exception of statutory requirements.

### REVIEW AND COMMENT BY LOCAL CHIEF EXECUTIVE:

City Manager or Mayor will review and comment on all applications for federal assistance prior to submission to the federal agency.

### CITY-WIDE APPROACHES TO REDEVELOPMENT:

A mandatory provision of planning and development on a total community scale rather than a project by project basis

### CHI-SQUARE TEST:

Statistical test used to evaluate whether or not frequencies which have been obtained differ significantly from those which would be expected under a set of theoretical assumptions.

## METHODOLOGY

### CONTENT ANALYSIS

To determine the degree of applicability of the Planned Variations and Annual Arrangements projects, first an accurate guage to measure the projects had to be employed. It was decided that content analysis would provide an efficient method of measuring the usefulness of the projects. The reports analyzed were examined for merits applicable to small communities.

### QUESTIONNAIRE DESIGN

The questionnaire (see appendix E) was designed to reveal two basic elements of each community surveyed. Questions one through four were to illicit a general response to present conditions of the community. While questions five through eight were designed to test the reaction of local officials to variables considered necessary to improve, or just handle local capacity. The format utilized exemplified simplicity and allowed for the interviewer to conduct the survey through a telephone conversation. Advance notice was forwarded to each community indicating the purpose and date of the survey. Name of the chief executive (Mayor or City Manager) location, and telephone numbers were obtained from the directory of Kansas cities and towns. This directory is readily available in most public offices, and can be purchased by individuals if they so desire. The questionnaire was reviewed for clarity and content by a faculty member. Due to the many possible answer combinations, it was decided that the responses be scored for ease in translation of data.

### SELECTION OF CITIES

Cities selected to participate in the survey were all located in the state of Kansas. Kansas was chosen because of the ease and convenience for collecting data and because of the rural characteristics of the state. With over one-half of the incorporated communities having a population of less than twenty-five thousand persons, the state was considered an excellent area for study. Forty-two cities ranging in population from five to twenty-one thousand persons, constituted the boundaries for this research project. These communities represented approximately four hundred and fifty thousand persons, or one-fifth of the total population of the state. For the state of Kansas, this would be the primary group of small communities most likely to participate in community development programs.

The principle respondent to the questionnaire was to be a local official presently included in the city structure. Officials of quasi-public agencies, such as renewal and housing directors were not surveyed. In view of the fact that cities were or at least potentially about to be blessed with a tremendous responsibility, it was deemed appropriate to test their readiness to assume the responsibility. Attempts were made to illicit responses from the mayor, or the city manager, since they are the chief executives respectively in the mayor/council and council/manager forms of government.

## CHAPTER I

PRESIDENTIAL REORGANIZATION PROPOSAL

In 1972, the President proposed to reorganize several departments of the executive branch.<sup>1</sup> One of the chief departments to be reorganized was the Department of Housing and Urban Development. Federal legislation commonly referred to as "community development" act" envisioned strengthening and reinforcing the state and local decision-making ability of local officials. Although the legislation dealt with physical development of communities, inherent in the act were concepts calling for an increase in the capacities of local units of governments. Citing fragmentation and lack of a single organization with responsibility and authority to effectively coordinate or direct development programs, the President called for a revision of HUD into a Community Development Department.<sup>2</sup> The revision was supported by comments from a state field advisor. Each agency has specific criteria for funding. "The dilemma for communities is to determine which agency to contact; and which agency has jurisdiction over funding." The President's proposal tried to eliminate this problem. It anticipated state and local governments as well as area-wide and regional agencies to build capacities to undertake programs of balanced growth and development in a manner responsive to the needs of the populace.<sup>3</sup>

<sup>1</sup> Papers Relating to the President's Department Reorganization Program, Office of the President, Reference Compilation Revised February 1974.

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

Without changing program substance, administrative and organizational aspects would be revised to conform to the concept of a strong local decision-making process.

It goes without saying that proposed changes usually illicit opposition from one group or another directly affected by the change. The National Association of Housing and Redevelopment Officials, (NAHRO), strongly opposed "reorganization" without an evaluation first to determine if the present systems were actually inadequate. Severe criticisms have been leveled at the "urban renewal process" and the "public housing policies" without an honest appraisal of their usefulness. Nevertheless, NAHRO cautioned that any restructuring should proceed gradually and only when new mechanisms were available for implementation.<sup>1</sup> The forecast from NAHRO depicted problems in planning continuity, loss of trained expertise, and loss of administrative efficiency. The total result would be a major reduction of activities and general disappointment of the citizens at large.<sup>2</sup>

Studies conducted by the federal government tended to support the contention of local officials that implementation of existing programs was nearly impossible due to the delays in funding, federal review and lack of comprehensive approaches, etc.<sup>3</sup> Anticipating a change at the federal level, several cities took action to reorganize their local structures.

Reorganization efforts ranged from a simple expansion of

<sup>1</sup> Interview with Robert Maffin, NAHRO, San Francisco, California, October 29, 1973

<sup>2</sup> Ibid.

<sup>3</sup> U.S. Department of Housing and Urban Development, Community Development Evaluation Series, Vol. 1: Planned Variations; Vol. 6; Annual Arrangements, Government Printing Office, 1972-73.



boundaries, (from project to district) in Butte, Montana to a complete assimilation of all development agencies both city and county in Indianapolis, Indiana.<sup>1</sup> Of course, there are some cities that effectively administer local development projects without the benefit of a consolidated effort.

The central question in all this discussion is whether or not communities need to reorganize. Albert Walsh, former President of NAHRO, and former Chairman of the New York Housing Authority, expressed the opinion that it does not matter.<sup>2</sup> In the June 1973 issue of the Journal of Housing, Mr. Walsh contends that whatever the structure or mechanism, it should be broad and comprehensive, include mandatory housing linkage -- and above all, be responsible and responsive to the chief executive and local government.<sup>3</sup> The author agrees that this is the most rational concept, but is not the most popular. In another study, by the federal government, it launched an attack on many of its own "pet" creations, citing fragmentation as the prime cause of failure for most of the domestic development programs. The following quote from "Municipal Bootstraps" seemed to best express the difficulty of the situation:

"Under today's system, the cities have most of the domestic problems, the federal government has most of the money and states most of the authority to make necessary changes."

<sup>1</sup> Michael Carrol, "Indianapolis 'Unigov' links Public and Private Development Resources," Journal of Housing 8, (September 1973) 389-394.

<sup>2</sup> Albert Walsh, "Community Development: New Responsibilities Need New Structures - or do they?" Journal of Housing, 6 (June 1973) 276-83.

<sup>3</sup> Ibid.



Local executives were attempting to solve problems with programs not under their control. This meant nothing but stress and frustration for many officials. They lacked the appropriate mechanisms to expand their role as necessitated by the policy change. Realizing the need for expanding their authority, yet lacking proper tools, the cities were left in a state of confusion. Many officials were skeptical and some were not even aware of the efforts at the federal level. The paradox of this situation is that as the need for stronger control by local officials increase, so does the need for more highly efficient structures. The task for local officials then was to examine the existing structures to determine their applicability in terms of the "Federalism" or turn to new innovative structures.

Demonstration projects specifically designed to improve the capacity of local governments, have been tested with significant results in several cities.<sup>1</sup> The following chapter of this paper will deal with the analysis of the results and how they may be utilized by officials of small and rural communities.

<sup>1</sup>U.S. Department of Housing and Urban Development, Community Development Series, Vol. 1: Planned Variations; Vol. 6: Annual Arrangements. Government Printing Office, 1972-73.

## ANALYSIS OF DEMONSTRATION PROJECTS

An analysis by the author of these federal pilot projects reveals that certain elements of the projects are highly applicable to small towns. A number of federal pilot projects were designed to improve the capability of local units of governments to set priorities and more effectively control the federal dollars coming into each community.

Improving the coordination of federal funding, increasing local decision-making capacity, and reducing bureaucratic paperwork have long been viewed as ways to improve the delivery system relating to federal aid to towns and cities. Beginning with the goals of the Planned Variations, we see that the initial thrust of the project addresses concerns not only of urban areas, but of all levels of government which have dealt with federally assisted programs. Thus, the Planned Variations project although primarily tested in metropolitan areas appears to be general enough to be applicable to any situation involving small towns and the federal government.

The goals of the Annual Arrangements project principally involved expanding existing programs to a city-wide concept. (An important element of the Annual Arrangement project not contained in the Planned Variations project was the emphasis on national goals and policies. Equal opportunity, national labor standards, etc., were to receive high priority consideration from local officials). This of course would eliminate the project-by-project method and

require cities to implement a comprehensive approach to development problems. Annual Arrangements further called for increasing responsibility of local officials to set the direction of programs. Through a memorandum of understanding, the federal government would agree to provide a certain level of funding, while the community agreed to improve the local planning and management capacity.

The mechanisms of the Planned Variations and Annual Arrangement Projects differ vastly in their approaches to accomplish the stated goals. Three basic tools were involved in the Planned Variations Project:

- city-wide model cities
- chief executive review and comment
- minimization of federal review

City-wide model cities as defined in the project would consist of expanding the provisions of the model cities program to encompass the entire boundaries of the city. Chief executive review and comment requires the chief administrator, whether the City Manager or the Mayor, to review and comment on all applications processed for federal funding before they are submitted to the appropriate federal agency. Although the chief-executive lacked the veto power, his comments were submitted along with the application. Minimization of federal review of course implied maximum reduction of federal processing and review. Limitations as to time and types of federal involvement, exclusion of statutory regulations were to be exercised by the federal bureaucracy.

Annual Arrangements on the other hand, implies a more relaxed atmosphere of cooperation between local officials and the federal agency. It gives the impression of dealing on a personal level rather than on the more formal level associated with governments. Three specific mechanisms to improve management and coordination were suggested to the communities:

coordinating committee consisting of chief executive, Directors of HUD, and advisory agencies or department

creation of city department or community development agency

community development coordinators office-staff assistant to chief executive

Communities could then work jointly with the federal government yet control the pace at which development proceeded.

In summary, the goals of both projects are very general and probably apply to most situations involving federal assistance. Consequently, the goals are applicable to small towns and many small town officials would agree that any improvement along these lines would be welcomed.

The mechanisms too, appear to be appropriate for improving local capacity in small towns. The thrust of shifting from a restrictive project-by-project concept to a city-wide aspect is very appealing to small town officials. The total land area of many small communities is comparable to the land area of some major

renewal projects. From the author's viewpoint, it would seem highly attractive for small communities to look at their total community needs and develop long-range strategies to treat those needs. The "model cities" provision of course would have to be modified to be applicable to small towns.

Looking at the chief review and comment mechanism, we find a strong tool at the disposal of local officials. Local decision-makers have long sought to retain control over federally assisted projects. They view the "officials of the Patomic" principally as benefactors and manipulators and not as wise developers of local affairs. The review and comment process allows for local control to some extent. Shortcomings of the mechanism are tied to the "comment" aspect of the process. Merely allowing the chief executive to comment rather than actually vetoing (if necessary) does little to prevent ill-planned and ill-conceived projects from becoming a reality. Despite the lack of a veto, the process of channeling development through the local power structure might establish better lines of communication among all pertinent agencies. Lastly, all levels of government (especially small units) could greatly benefit from an elimination of unnecessary federal review. Often times rural towns fail to seek federal assistance due to the review and processing time involved. Many federal review processes have become so specific as to necessitate employing "specialized" personnel. Many provisions could be easily waived without jeopardizing program levels or sacrificing national goals and objectives. Without revision, many program requirements in themselves become deterrents to local



officials applying for federal assistance. Based on the author's experience, a concerted effort must be made to reduce the bureaucratic "redtape" before "minimization of review" is an effective tool for small towns.

With a choice of mechanisms under the Annual Arrangements project officials have a greater latitude to adopt appropriate measures to fit the local situation. This hopefully serves to strengthen the local decision-making process.



## CHAPTER II

ANALYSIS OF COMMUNITY DEVELOPMENT SURVEY

The author carried out a survey in 1975 to identify information levels, and attitudes of non-metropolitan local officials on the subject of "Community Development". (See Appendix E)

The survey was designed to test the attitudes of local officials in forty-two Kansas communities. The results, or rather the opinion expressed, proved to vary as much as did the communities in size. The survey consisted of nine questions, five of which were of general applicability. The remaining questions were designated to test the reaction of local officials to specific mechanisms believed capable of strengthening local capacity for decision-making.

In the analysis of any survey, the survey instrument itself must be considered. Perhaps the questionnaire was confusing or impossible to understand. A review of comments by officials surveyed, proved this not to be the case in this instance. Each respondent was given an opportunity to comment on the instrument, most expressed relative ease of comprehension of the questions. Some would have preferred a copy of the survey, some said the survey was too general, while others felt it was too extensive. Concern was also expressed over the expected accuracy of a telephone survey conducted in a five-minute time period. (Although numerous attempts were made to illicit 100% response, several cities declined to participate in the survey). Of the 42 communities contacted, only 31 chose to respond. The failure to participate

points out the fact that as late as two months prior to the deadline for submission of applications, local officials were unprepared to assume the responsibilities of Housing Act of 1974. Reasons cited for not participating ranged from lack of knowledge of the legislation to having delegated responsibilities to local housing or redevelopment authorities. In some cases, several attempts were made to refer the surveyor to renewal or housing administrators. These efforts were politely rejected. The survey intent was to obtain the opinions of government officials with the city structure. In three extreme cases, officials rejected all efforts and refused to answer any questions.

#### SURVEY RESULTS

The following results were obtained from a survey of local officials in forty-two Kansas communities on March 5th and 6th, 1975. Data is presented in narrative and graphic forms for ease in interpretation.

Question No. 1. related to the average annual income of each community. Even though all communities were under twenty-five thousand in population, the relative earning power of the community residents would perhaps indicate which communities would most likely need federal assistance. The results of this question were as follows for all communities:

Question No. 1 What is the median family income for your community?

Results: Minimum Income	= \$3,000
Mean Income	= 8,616
<u>Median Income</u>	<u>= 8,184</u>
Mode Income	= 8,500
Maximum Income	= 19,480

Question number two, three, and four are presented graphically. They reflect the responses of local officials to question concerning physical conditions of the communities. The interesting point to note here is the indication of substandard and rehabilitated units as expressed by local officials. The responses suggest that housing conditions are better than the results obtained from a survey conducted by the state on housing needs and conditions.<sup>1</sup> With the exception of those towns reporting extremely high levels of income, the author expected the responses to fall in the vicinity of twenty to forty percent for substandard and thirty to fifty percent requiring rehabilitation.

Question number four, in the opinion of the author, represented the strong aspects of local official's ability for assessing development needs. Traditionally small units of government have emphasized maintenance of streets, sewers, water services, etc., consequently, they are better able to assess the need for physical facilities.

The analysis of responses to these first four questions suggest that small town officials need to undertake comprehensive studies to more accurately evaluate total community needs.

<sup>1</sup>Kansas Housing Conference Report, League of Kansas Municipalities, January, 1975.

Housing assistance studies, planning and management studies, capital improvement programs, etc., are the assessment tools that could vastly improve local capacities. A typical example of assessment and program evaluation, was the comment from the City of Merrian: "We have a median family income of \$19,480, and less than one percent of the housing units are in need of rehabilitation, therefore, we do not need or care to apply for federal funds."

Generally speaking, officials acknowledged the value of the survey and expressed interest in viewing the results.

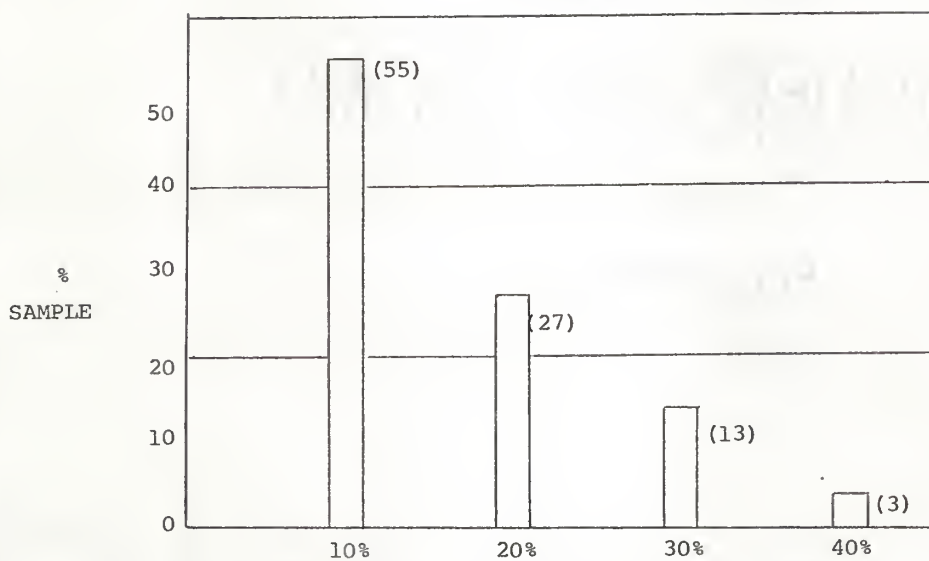


FIG. 1 WHAT PERCENT OF STRUCTURES IN YOUR COMMUNITY ARE SUBSTANDARD?

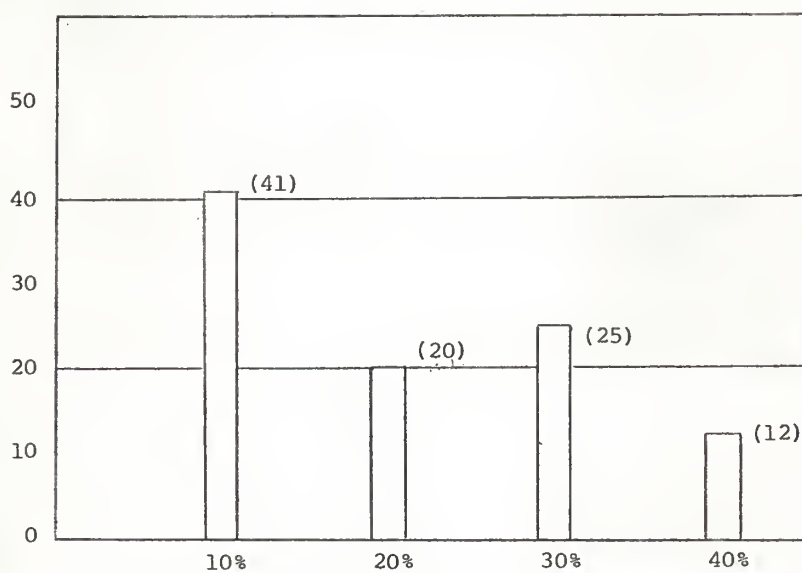


FIG. 2 PERCENT STRUCTURES REQUIRING REHABILITATION

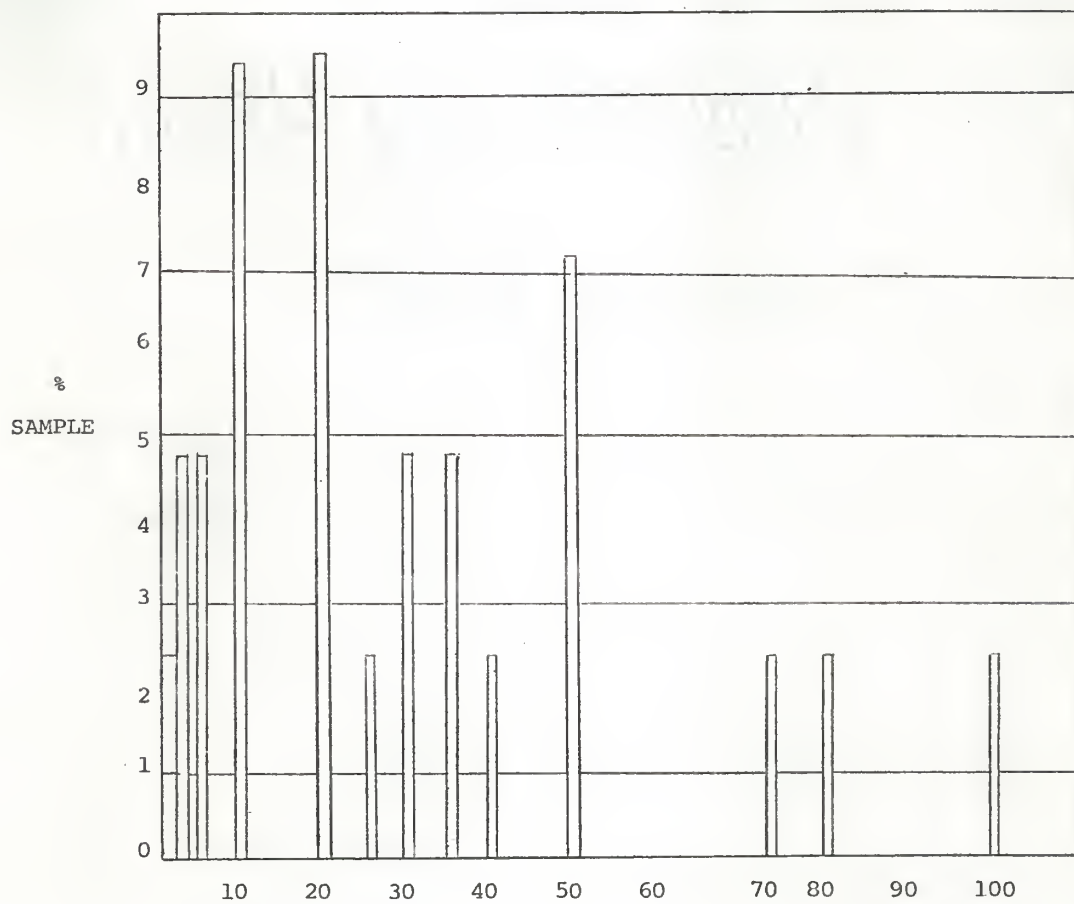


FIG. 3 PERCENT PHYSICAL FACILITIES NEEDING REPLACEMENT OR UPGRADING



The next series of graphs show the responses of local officials to question 5 through 8. In these questions, local officials ranked the pre-selected variables, which the author considered to be methods of strengthening local control over growth and development activities.

Four mechanisms were selected and rated according to how effectively they induce specific changes in the program operations. Guaranteed annual funding, minimization of federal review, chief executive review and comment and city-wide approaches to development, were ranked in terms of the following criteria:

1. Simplification
2. Increase in local Planning and Management capacity
3. Tolerance for Citizen Participation
4. State and County Involvement
5. Administrative Efficiency
6. Comprehensive Approaches to Goals
7. Closeness of Responsibility to Chief Executive

Utilizing a rating system where (5) indicated a high rating and one (1) indicates a low rating, each variable was tested in terms of the above criteria.

The results of the test are indicated on the four graphs that follow. Measures that are shown include the mean response, standard deviation and variance. The latter two factors were included as a test for validity of responses. Mathematically the variance is equal to the standard deviation squared. By plotting these measures, a parallel relationship should graphically appear. As one factor increases, the other should increase proportionally.

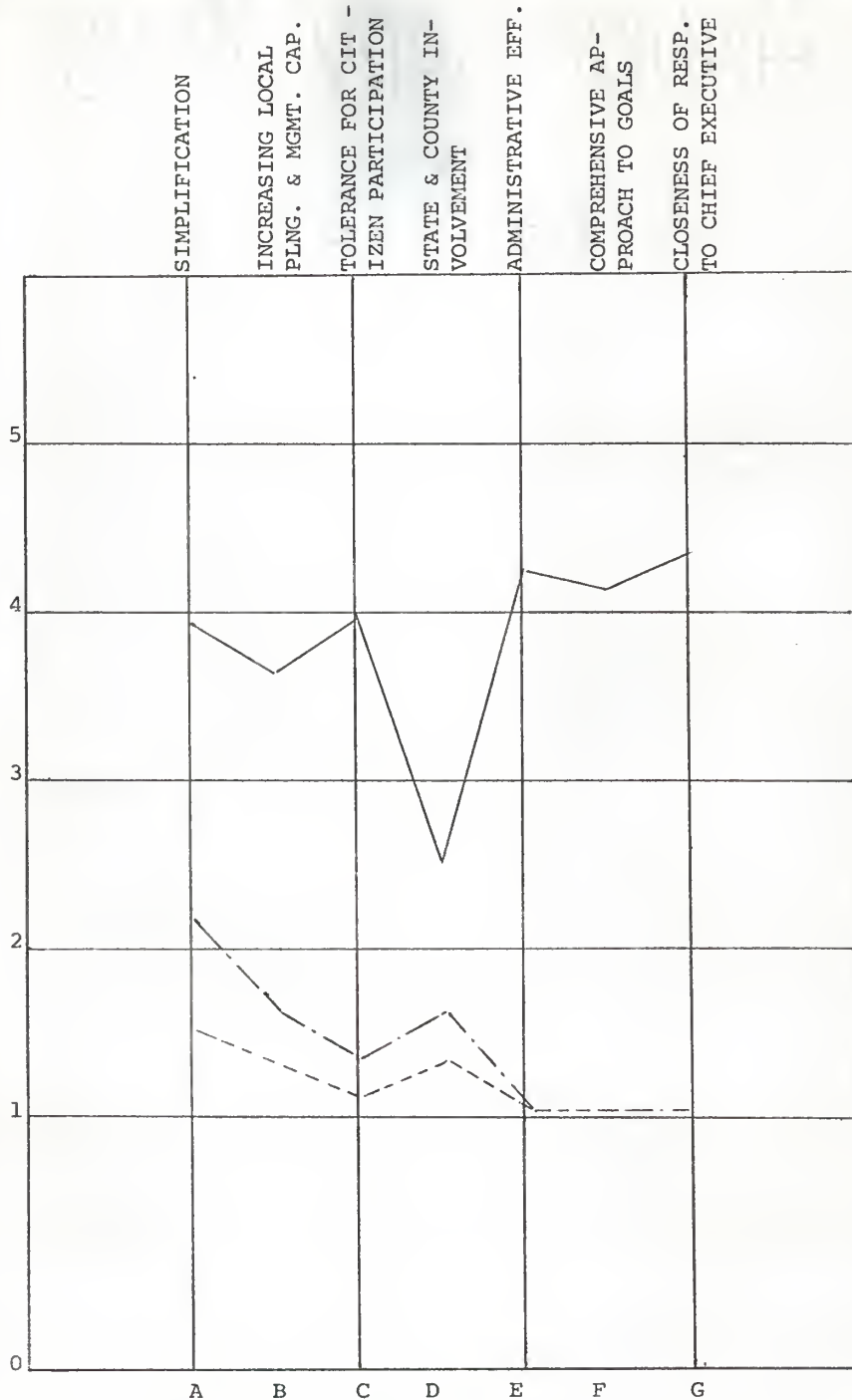


FIG. 4 RESPONSE OF OFFICIALS TO GUARANTEED ANNUAL FUNDING

KEY: MEAN \_\_\_\_\_ STANDARD DEVIATION----- VARIANCE-.-.-.-

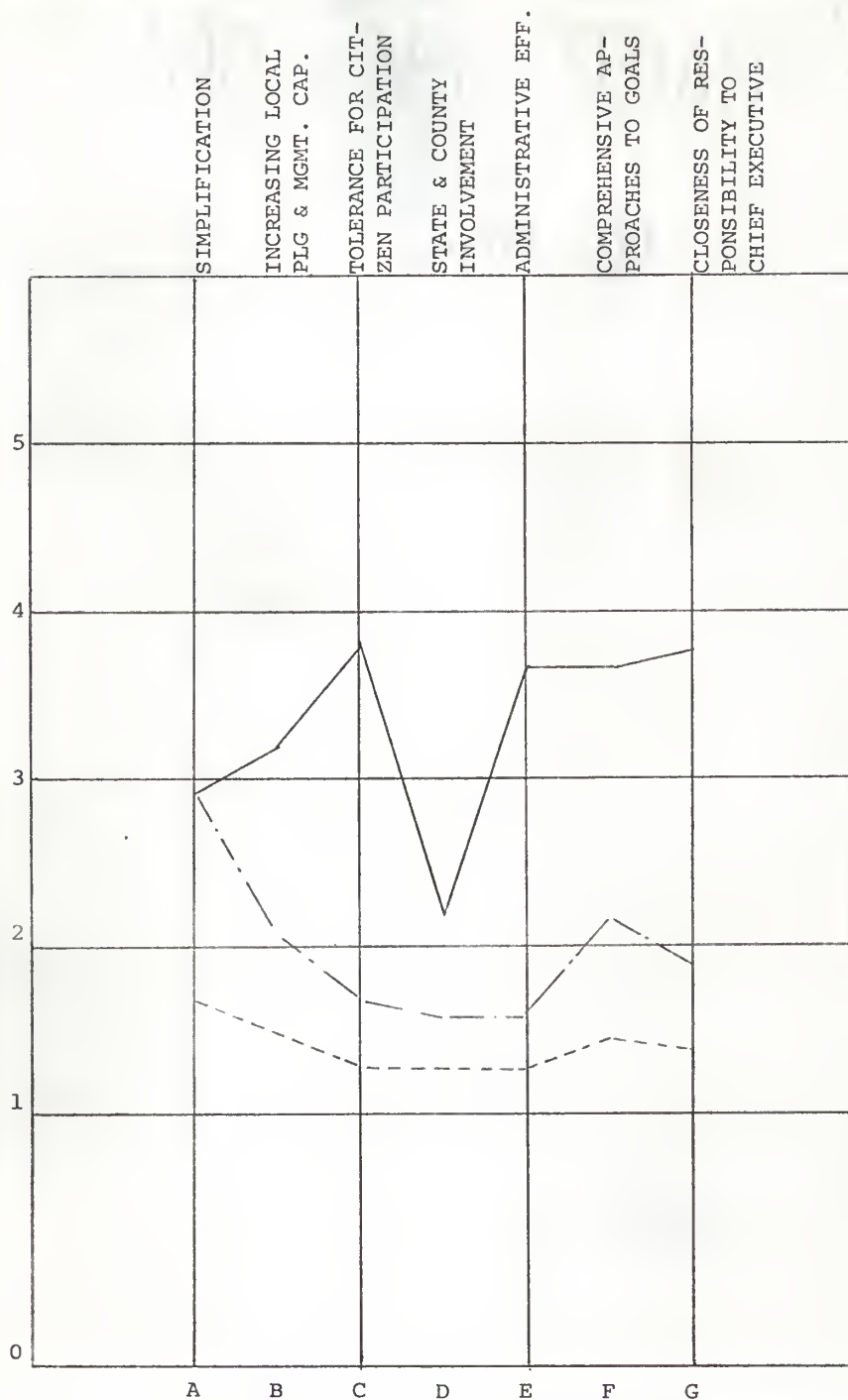


FIG. 5 RESPONSE OF OFFICIALS TO MINIMIZATION OF FEDERAL REVIEW

KEY: MEAN \_\_\_\_\_ STANDARD DEVIATION ----- VARIANCE - · - · -

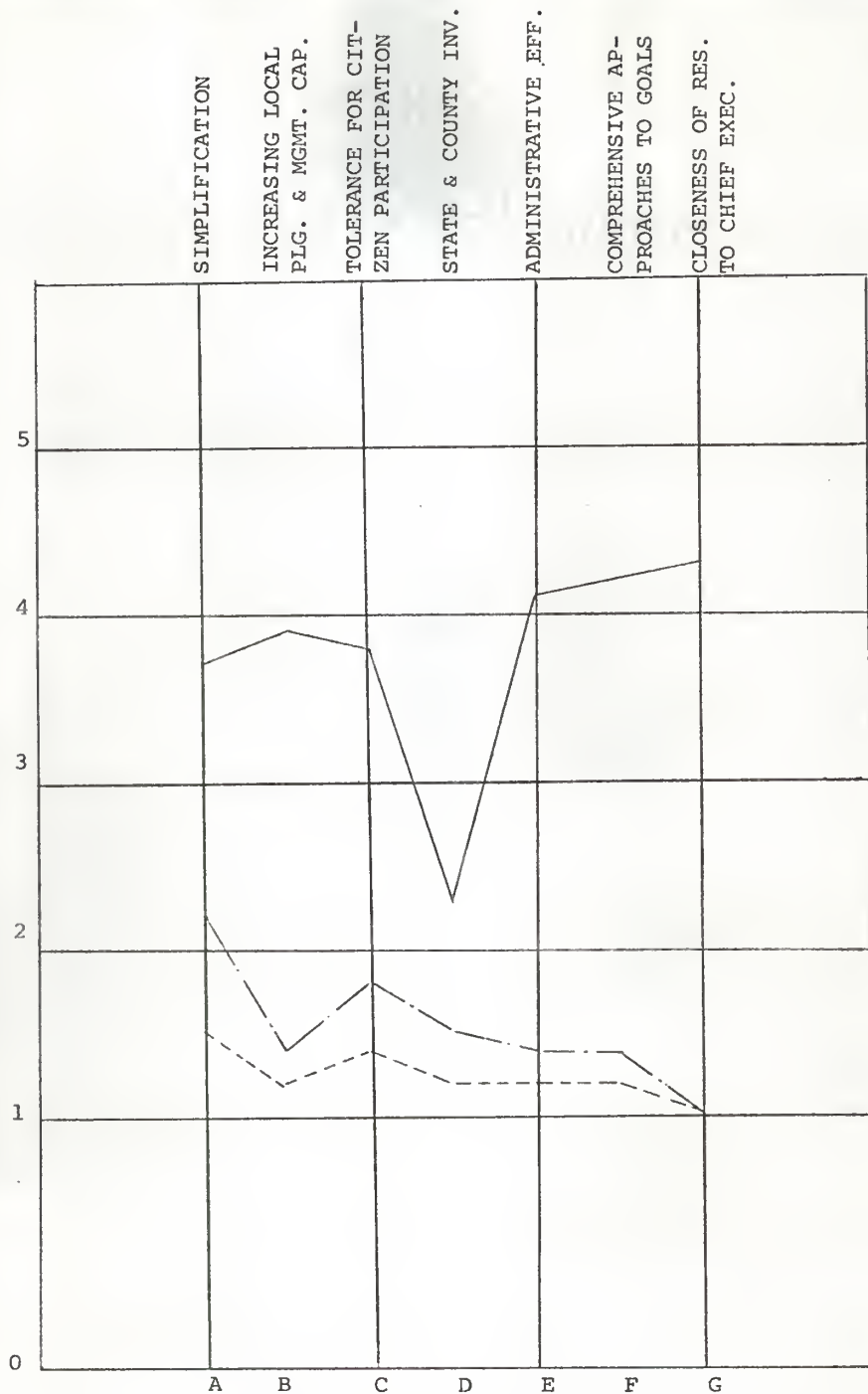


FIG. 6 RESPONSE OF OFFICIALS TO REVIEW AND COMMENT BY CHIEF EXECUTIVE

KEY: MEAN \_\_\_\_\_ STANDARD DEVIATION ----- VARIANCE - . - . -

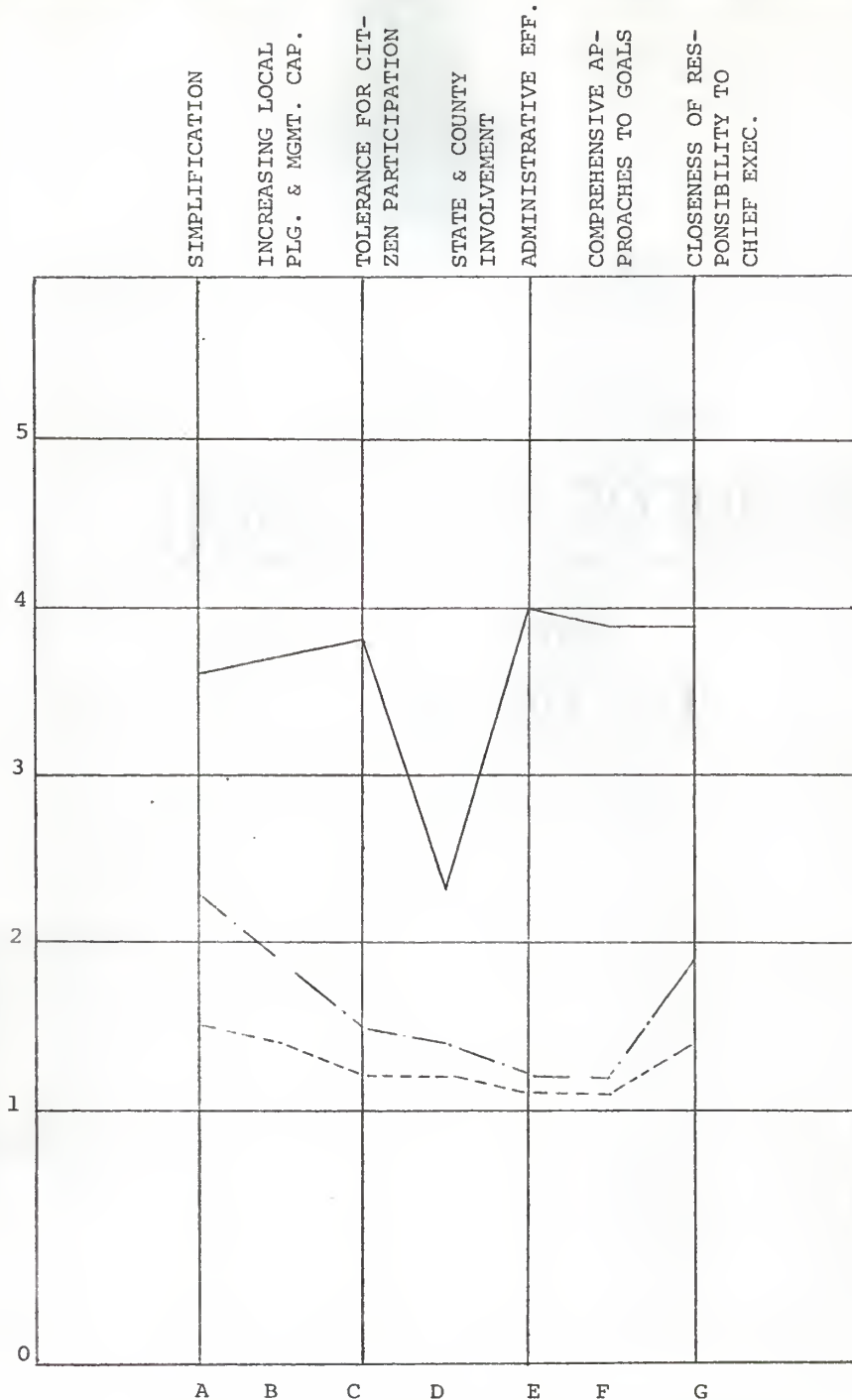


FIG. 7 RESPONSE OF OFFICIALS TO CITY-WIDE APPROACHES TO DEVELOPMENT

KEY: MEAN \_\_\_\_\_ STANDARD DEVIATION----- VARIANCE.....

At points where deviation from this pattern exist, the validity of the responses become highly suspect.

Question number nine simply asked if the communities intended to apply for funding under the Housing and Community Development Act of 1974. The results were as expected with over eighty-three percent indicating yes and sixteen percent indicating no.

Question No. 9 Do you intend to apply for funding under  
the Housing and Community Development  
Act of 1974?

Results:	Yes	- twenty-six
	No	- five

Although many communities appeared to be unprepared, they were processing or intended to process an application for funds. One can only speculate that half-hearted attempts at resolving the re-organization question will be made as communities hastily prepare applications to capitalize on the wind-fall funds.

#### CROSS TABULATION DATA

Although relevant data was obtained from the frequency distributions as presented above, a second test was applied to determine if a more significant relationship existed between the replies given.

For this purpose, the author chose to cross-tabulate responses on income and physical facilities with the ratings for questions five through eight. This test is mathematically referred to as the Chi-Square principle. Simply stated, the principle



assumes that any difference between observed and expected frequencies are due merely to chance and nothing more. (Commonly referred to as the null hypothesis), a mathematical calculation is then applied to detect any significant differences. (The significance factor is usually expressed mathematically and can be obtained from statistical tables. Examples of significance factor, .15, .10, .001, etc. For this study any results equal to or less than .05 were determined to be relevant.)

In this cross-tabulation analysis, no significant relationships occurred. Thus, we can assume that any differences were due to chance and not to some extenuating factors.

But the situation differs notably when income is used. The first difference appears at question 5-E, state and county involvement by income. Numerically, a factor of .02 appears which indicates something other than chance affected the ratings for guaranteed annual funding and state and county involvement. Following the Chi-square argument, one may state the null hypothesis as such:

There is no relationship between groups of communities by income and the rating for state and county involvement criteria of guaranteed annual funding.

We must however, reject this hypothesis according to the procedure described because observations indicate that as income increases, the rating for state and county involvement increases accordingly.

A significant relationship also appeared at question 7-A, review and comment by simplification. Here, as in the above case, it is assumed that there is no relationship between income and the

ratings of simplification criteria for review and comment variable. Officials of low-income communities had a tendency to rate simplification lower than high-income community officials.. Figures 8 and 9 illustrate the progressive relationship. The points do not represent actual scores, but are used for purposes of illustration only.

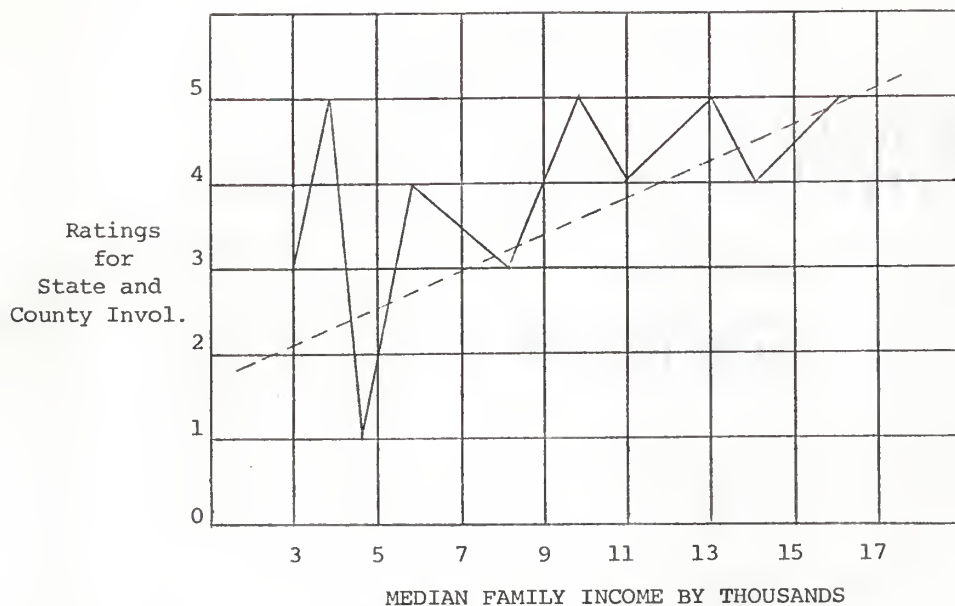


FIG. 8. RELATIONSHIP OF STATE AND COUNTY INVOLVEMENT  
VARIABLE TO MEDIAN FAMILY INCOME

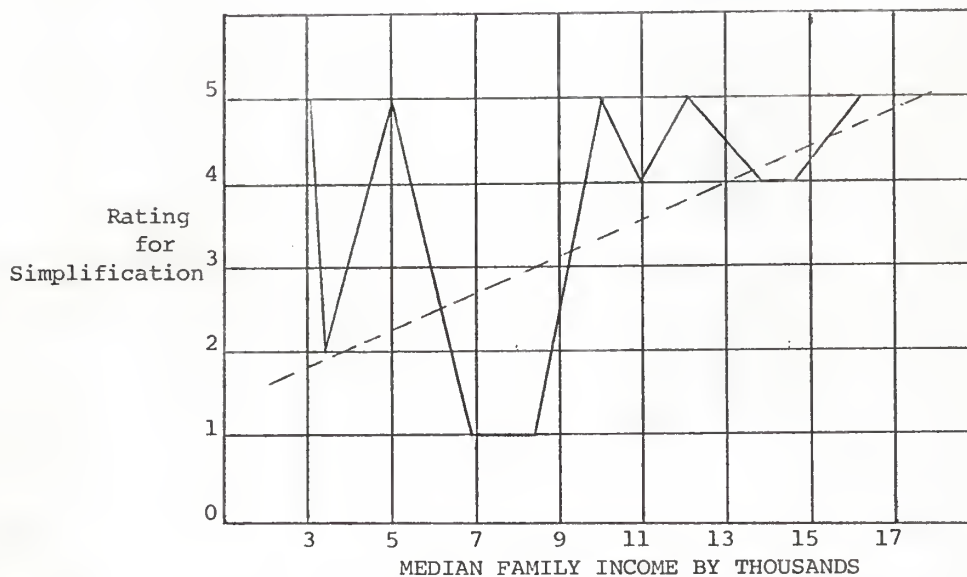


FIG. 9 RELATIONSHIP OF SIMPLIFICATION VARIABLE TO  
MEDIAN FAMILY INCOME

The final question, relating to whether or not the towns would apply for funding produced another significant relationship. All negative responses were given by relatively high income communities. No community with median family income of less than nine thousand dollars, indicated a reluctance to apply for funds. This is somewhat perplexing in that many affluent communities have traditionally sought to maximize federal dollars coming into the local treasury, even to the extent of employing "federal grants specialist" to seek out supplemental funding.

### CHAPTER III

#### CONCLUSIONS

The preceding sections contain data from a review of federal documents and from a survey conducted by the author. The Planned Variations Project and the Annual Arrangements Project were analyzed to determine if they could be utilized by small communities as resource aid for implementing development strategies. It was found that certain elements of each project could be beneficial to rural leaders. A survey of officials in forty-two Kansas communities provided opinions of local decision-makers relative to improving planning and management functions. General information concerning community median family income, housing conditions and physical facilities was requested from each sample. Respondents were also asked to rate four variables in terms of specific criteria related to strengthening local capacities. Graphic illustrations were used as aids in the presentation of survey results.

The following conclusions are based on the author's interpretation of data collected for this project. The conclusions have been categorized by literature and survey results. Under no instance should the reader conclude that these statements represent the only interpretation that could be drawn from a reading of this report.

#### LITERATURE

Federal efforts to assist communities in building local capacities have centered around the problems of metropolitan areas and have not adequately addressed the problems of small and rural communities



Local structures need not be reorganized to effectively administer community development programs.

A comprehensive approach to community needs is a mandatory provision for improved utilization of assistance for development.

Aspects of the Planned Variations and Annual Arrangements Projects will aid small towns to improve local planning and management functions.

The Annual Arrangements project provided the greatest latitude to local officials for implementing new strategies for development programs.

#### SURVEY

Federal efforts to implement community development programs have been too rapidly imposed on local officials.

Officials in small communities lack the ability to accurately assess the comprehensive growth and development needs of their communities.

Minimization of federal review process may or may not simplify the development process in the views of Kansas Officials.

Small town officials in Kansas object to any level of federal review.

Kansas officials did not appear to be very knowledgeable of provisions of the Housing and Community Development Act of 1974.

In the view of small town officials in Kansas, intergovernmental involvement, particularly state and county levels is unacceptable or should be held at a minimum.

Local officials in Kansas wish to retain control over growth aspects in their community.

Small towns lack appropriate planning and management evaluation techniques.

A combination of annual funding, less federal review, chief executive review and comment and a mandatory city-wide approach to development will improve the capacity of small units of government to effectuate changes in growth patterns.

## CHAPTER IV

### RECOMMENDATIONS

The following recommendations are suggested as guides for federal, state, and local officials in the formulation of policies designed to strengthen planning and management capacities for community development.

#### Federal Level

Federal assistance in the form of grants and technical aid should be provided to small communities to assist them in the implementation of development strategies.

A shift in the attitude of federal officials is needed such that they recognize small towns as viable solutions to the problems of urban living.

A reduction of unnecessary federal review to allow for more expeditious performance of activities is necessary.

Small towns should be required to develop a planning and management function for growth and change in community decision-making.

Adoption of a National Land-Use Plan is vital.

#### Local Level

Local officials should thoroughly evaluate their present organizational structures and determine if they need revision in light of the new development act of 1974.

Local officials should develop local planning and management functions which are directly responsible to chief executive of governing body.

APPENDIX A

LIST OF DEMONSTRATION CITIES PARTICIPATING  
IN PLANNED VARIATIONS PROJECT

CITY

1. Butte, Montana
2. Dayton, Ohio
3. Des Moines, Iowa
4. East St. Louis, Illinois
5. Erie, Pennsylvania
6. Fresno, California
7. Indianapolis, Indiana
8. Lansing, Michigan
9. Newark, New Jersey
10. Norfolk, Virginia
11. Paterson, New Jersey
12. Seattle, Washington
13. Tampa, Florida
14. Tucson, Arizona
15. Winston-Salem, North Carolina
16. Waco, Texas
17. Houston, Texas
18. Rochester, New York
19. San Jose, California
20. Wilmington, Delaware

\* All communities have population in excess of 25,000 persons

## APPENDIX B

LIST OF DEMONSTRATION CITIES PARTICIPATING  
IN ANNUAL ARRANGEMENTS PROJECT

- |                               |                             |
|-------------------------------|-----------------------------|
| 1. Boston, Massachusetts      | 26. Youngstown, Ohio        |
| 2. Fall River, Massachusetts  | 27. Grand Rapids, Michigan  |
| 3. New Bedford, Connecticut   | 28. Evansville, Indiana     |
| 4. Springfield, Massachusetts | 29. Fort Wayne, Indiana     |
| 5. Pawtucket, Rhode Island    | 30. Gary, Indiana           |
| 6. Bridgeport, Connecticut    | 31. Milwaukee, Wisconsin    |
| 7. Portland, Maine            | 32. State of Wisconsin      |
| 8. Paterson, New Jersey       | 33. Albuquerque, New Mexico |
| 9. Plainfield, New Jersey     | 34. Tucumcari, New Mexico   |
| 10. Syracuse, New York        | 35. Grand Prairie, Texas    |
| 11. Virgin Island             | 36. Olney, Texas            |
| 12. Wilmington, Delaware      | 37. Port Author, Texas      |
| 13. Eric, Pennsylvania        | 38. Waco, Texas             |
| 14. Johnstown, Pennsylvania   | 39. Camden, Arkansas        |
| 15. Hampton, Virginia         | 40. Fort Smith, Arkansas    |
| 16. Athens, Georgia           | 41. New Port Arkansas       |
| 17. Rockhill, South Carolina  | 42. West Memphis, Tennessee |
| 18. Winston-Salem, N.C.       | 43. Baton Rouge, Louisiana  |
| 19. Biloxi, Mississippi       | 44. Lafayett, Louisiana     |
| 20. Tampa, Florida            | 45. Monroe, Louisiana       |
| 21. Morristown, Tennessee     | 46. New Orleans, Louisiana  |
| 22. Danville, Kentucky        | 47. Shreveport, Louisiana   |
| 23. Carbondale, Illinois      | 48. Shawnee, Oklahoma       |
| 24. Peoria, Illinois          | 49. Stillwater, Oklahoma    |
| 25. Rockford, Illinois        | 50. Lawton Oklahoma         |



- |                                |                           |
|--------------------------------|---------------------------|
| 51. Tulsa, Oklahoma            | 73. Pasadena, California  |
| 52. Corpus Cristi, Texas       | 74. Riverside, California |
| 53. Eagle Pass, Texas          | 75. San Buena, California |
| 54. Laredo, Texas              | 76. San Diego, California |
| 55. Oxnard, California         | 77. Hawaii County         |
| 56. San Antonio, Texas         | 78. Oakland, California   |
| 57. Topeka, Kansas             | 79. Richmon, California   |
| 58. St. Joseph, Missouri       | 80. San Jose, California  |
| 59. Springfield, Missouri      | 81. Stockton, California  |
| 60. Council Bluff, Iowa        | 82. Portland, Oregon      |
| 61. Davenport, Iowa            | 83. Seattle, Washington   |
| 62. Des Moines, Iowa           |                           |
| 63. Mason City, Iowa           |                           |
| 64. Ottumwa, Iowa              |                           |
| 65. Lincoln, Nebraska          |                           |
| 66. North Platt, Nebraska      |                           |
| 67. Charleston, Missouri       |                           |
| 68. Wells Ton, Missouri        |                           |
| 69. Butte, Montana             |                           |
| 70. Rapid City, South Dakota   |                           |
| 71. Sioux Falls, South Dakota  |                           |
| 72. Standing Rock Reseveration |                           |

## APPENDIX C

LIST OF KANSAS CITIES SURVEYED FOR COMMUNITY  
DEVELOPMENT NEEDS

NAME	COMMUNITY	POPULATION
Kieth Q. Hayes	1110 Johnson, Shawnee	21,000
Virgil Bosgull	522 Mechanic, Emporia	20,000
Francis Hoag	P.O. Box 287, Junction City	20,000
R.M. Stricklan	P.O. Box 688, Pittsburg	20,000
William Tschudy	P.O. Box 86, Olathe	19,000
Ken Bittel	P.O. Box 1168, Great Bend	18,000
Hugh Hall	7th & Walnut, Coffeyville	17,000
Leland Broadbeck	709 1st Ave., Dodge City	16,000
Dean Wiley	P.O. Box 499, Garden City	16,000
Larry Roach	P.O. Box 490, Hayes	15,000
Jay Newton	P.O. Box 426, Newton	15,000
W.D. Barnum	325 Washington, Liberal	14,000
Ken Thompson	1st Central Arkansas City	13,000
Richard Williams	Mune, Bldg., Parsons	12,000
Dan Allen	515 Kansas Ave., Atchinson	11,000
David Doty	P.O. Box 792, El Dorado	11,000
C.C. Van Buskirk	120 N. 6th, Independence	11,000
Donald Ballard	9615 Lee Blvd, Leawood	11,000
Charles Anderson	9000 W. 62nd, Merrian	11,000
Ken Sanborn	1014 Plummer, Chanute	10,000
Kenneth Swanson	P.O. Box 650, McPherson	10,000
Robert Mills	4th & Walnut, Ottawa	10,000
Charles Delgado	P.O. Box 646, Winfield	9,000
Milford Grassberger	4600 W. 51, Roeland Park	8,000
Ed Dawson	419 Broadway, Abilene	8,000
John Baker	614 S. Judson, Ft. Scott	8,000
George Anderson	6090 Woodson, Mission	7,000
Darrell Kreighbaum	6th & Lincoln, Concordia	7,000
Bernard Daley	229 N. Baltimore, Derby	7,000
Arthur Preston	202 N. Washington, Wellington	6,000
John Mercer	6th & School, Augusta	6,000
Paul Evans	P.O. Box 404, Haysville	6,000
Jack Hasting	2 W. Jackson, Iola	6,000
Johnna Lingle	1225 Haskins, Lenexa	6,000
James Pearson	3rd Jackson, Pratt	6,000
Randy Gustafson	205 E. 2nd, Bonner Springs	6,000
William Logan	427 Court, Clay Center	5,000
Neale Paterson	5244 Norwood, Fairway	5,000
Russell Taylor	204 W. 11th, Goodland	5,000
Gordon Schaader	5th & Main, Osawatomie	5,000
L.M. Schwartz	P.O. Box 409, Paola	5,000
Jim Boyd	P.O. Box 112, Russell	5,000

## APPENDIX D

# Urban Renewal Agency of the City of Manhattan, Kansas

905 POTTAWATOMIE AVE.  
(913) 537-0885  
(913) 539-3561



P. O. BOX 1071  
MANHATTAN, KANSAS 66502

COMMISSIONERS  
LAWRENCE BRENNAN, CHAIRMAN  
JOHN SILVA  
MADALIN SULLINGER  
DR. RICHARD L. D. MORSE

February 27, 1975

On August 22, 1974, the President signed into law the Housing and Urban Development Act of 1974. Provisions of the act call for the elimination of slum and blighted conditions throughout our nation while strengthening the capacity of local elected officials for planning and management.

Small communities such as yours, (population less than 25,000), will have to compete for "Discretionary Funding" to fully participate in the program. (It is assumed that your community is not now participating in the program). Let us suppose your community was interested in benefiting from the available funding. What would be some of the problems you would foresee? How would you go about implementing such a program? What would you perceive as major impediments to the administrative and management functions?

One of the most frequent criticisms of the old categorical program, (Urban Renewal, water and sewer, etc.), was that of inflexibility and adaptability to local decision-making process. Several provisions of the new act appear to have dispelled further criticism on this point. Local officials now have full responsibility for the organizational structure of community development projects.

The purpose of this letter is to request your participation in a telephone survey designed to access your response to the changes in the legislation. The survey consists of a few general questions concerning your city's physical facilities and a ranking of four critical elements; namely, (a) annual arrangements for funding, (b) minimization of federal review, (c) review and comment by chief executive and (d) city-wide approaches to redevelopment. On \_\_\_\_\_ a secretary will telephone your office and take about five minutes of your time to conduct the survey.

Your cooperation in this study is greatly appreciated, and I wish to take this opportunity to thank you for your assistance.

Sincerely,

MARVIN V. BUTLER  
EXECUTIVE DIRECTOR

## APPENDIX E



## COMMUNITY DEVELOPMENT SURVEY

1. What is the median family income of your community? \$ \_\_\_\_\_
2. What percentage of the structures in your community are sub-standard? (circle)  
 More than 50%   40%   30%   20%   10%   or less   other \_\_\_\_\_
3. What percentage of all structures in your community would require major rehabilitation? (circle)  
 More than 50%   40%   30%   20%   10%   or less   other \_\_\_\_\_
4. What portion of your community physical facilities: streets, sewers, parks, etc., are in need of replacement or upgrading?  
 \_\_\_\_\_ %

A scale of 1 (low) to 5 (high) will be used to answer the following questions.

5. How would you rate annual guaranteed funding in the terms of the following criteria?

Simplification	5	4	3	2	1
Increasing local executive planning and management capacity	5	4	3	2	1
Tolerance for citizen participation	5	4	3	2	1
State and county involvement	5	4	3	2	1
Administrative efficiency	5	4	3	2	1
Comprehensive approaches to goals	5	4	3	2	1
Closeness of Responsibility to Chief Executive	5	4	3	2	1

6. How would you rate minimization of federal review?

Simplification	5	4	3	2	1
----------------	---	---	---	---	---

- |   |   |   |   |   |   |
|---|---|---|---|---|---|
| Increasing local Executive Planning and Management capacity | 5 | 4 | 3 | 2 | 1 |
| Tolerance for citizen Participation                         | 5 | 4 | 3 | 2 | 1 |
| State and county Involvement                                | 5 | 4 | 3 | 2 | 1 |
| Administrative Efficiency                                   | 5 | 4 | 3 | 2 | 1 |
| Comprehensive approaches to Goals                           | 5 | 4 | 3 | 2 | 1 |
| Closeness of responsibility to Chief Executive              | 5 | 4 | 3 | 2 | 1 |
7. What effect would review and comment by the chief executive have in terms of the following criteria?
- |   |   |   |   |   |   |
|---|---|---|---|---|---|
| Simplification  | 5 | 4 | 3 | 2 | 1 |
| Increasing local executive Planning and management capacity | 5 | 4 | 3 | 2 | 1 |
| Tolerance for citizen participation                         | 5 | 4 | 3 | 2 | 1 |
| State and county involvement                                | 5 | 4 | 3 | 2 | 1 |
| Administrative efficiency                                   | 5 | 4 | 3 | 2 | 1 |
| Comprehensive approaches to goals                           | 5 | 4 | 3 | 2 | 1 |
| Closeness of responsibility to chief executive              | 5 | 4 | 3 | 2 | 1 |
8. How would you rate "city-wide approach to redevelopment in terms of the following criteria?
- |  |   |   |   |   |   |
|--|---|---|---|---|---|
| Simplification   | 5 | 4 | 3 | 2 | 1 |
| Increasing local executive planning and management capacity? | 5 | 4 | 3 | 2 | 1 |

Tolerance for citizen participation	5	4	3	2	1
State and county involvement	5	4	3	2	1
Administrative efficiency	5	4	3	2	1
Comprehensive approaches to goals	5	4	3	2	1
Closeness of responsibility to chief executive	5	4	3	2	1

9. Does your community intend to apply for funding under the Housing and Urban Development Act of 1974?

YES \_\_\_\_\_ NO \_\_\_\_\_

#### DEFINITION OF TERMS

Annual Arrangements	Federal funds are guaranteed annually to each community
Minimization of Federal Review	Federal agencies eliminate as many requirements as possible with exception of statutory requirements.
Review and Comment by local Chief Executive	City Manager or Mayor will review and comment on application before submitted to federal agency
City-wide approaches to Re-development	Planning and development undertaken on total community basis rather than project basis.

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